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C O N F I D E N T I A L SECTION 01 OF 03 MANILA 003816

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TAGS: MARR MCAP PREL RP MASS

SUBJECT: GOVERNMENT UNRATTLED AFTER FAILED PLOT TO
DESTABILIZE PRESIDENCY

REF: A. MANILA 3800 (STANDOFF WITH FORMER COUP PLOTTERS

ENDS PEACEFULLY)

1B. MANILA 3797 (SENATOR WALKS OUT OF COURT
PROCEEDINGS IN PROTEST

Classified By: Deputy Chief of Mission Paul W. Jones, Reasons 1.4 (b) a
nd (d)

11. (C) SUMMARY: In the aftermath of Senator Antonio Trillanes's failed attempt to destabilize the Arroyo government on November 29, Philippine President Gloria Arroyo expressed confidence in the security forces' handling of the situation, a gesture which was reinforced tangibly when she resumed her schedule and departed on a previously planned trip to Europe on December 2. Economic markets in Manila paid little attention to the crisis, with investors discounting the likelihood of serious political instability. Despite the temporary detention of journalists who remained with the rebels after police orders to evacuate, overall reaction to the former coup plotters' tragicomic attempt to generate popular opposition to President Arroyo has been dismissive and derisory. Fifty-one persons have been charged with rebellion in connection with the event. Ironically, while Trillanes faces additional judicial and Senate scrutiny over his actions, this may not spell the end of his political career. END SUMMARY

BUSINESS AS USUAL

12. (C) Following the short-lived standoff between Philippine security forces and mutineer Senator Antonio Trillanes and chronic coup plotter Brigadier General Danilo Lim (reflets A and B) at the Manila Peninsula Hotel November 29, Philippine President Gloria Arroyo expressed her full confidence in the stability of the political situation by commencing a previously planned trip December 2 to Europe. Indeed, barely 12 hours after the standoff ended, she and her husband kept their appointment for a golf outing. The president also appeared in public on December 1 at a Manila flea market assuring patrons during a brief outing that the country was "calm and secure." Both appearances, along with her departure for a week-long trip to France, Spain, and the United Kingdom with a large delegation of cabinet members, congressmen, and business leaders, underscored her message to the Philippine people on December 1 after the insurrectionists had been arrested that Manila and the rest of the country were functioning normally.

HEAVY MEDIA COVERAGE BUT LITTLE SUPPORT FOR DESTABILIZERS

13. (C) Overall reaction to the serial coup plotters attempts' to destabilize the government has been negative. Immediately after Trillanes and Lim surrendered, Philippine police took all who were present with Trillanes into custody, including approximately 50 journalists who declined police orders to evacuate the hotel. The journalists were released after being interviewed by police, but their detention has led a Philippine senator to file a resolution in the Senate denouncing the journalists' treatment. While the media themselves were garnering attention for being detained, notable events were given less coverage than they might otherwise have received, including the announcement that the Philippine economy grew at 6.6 percent in the third quarter, the fifth straight quarter of strong growth.

14. (C) The media coverage of the siege was not indicative of widespread public support or approval for Trillanes's and Lim's actions. Indeed, all evidence indicates that these serial destabilizers were unable to generate more than a few dozen sympathizers. As the incident unfolded, military leaders ordered the assessment of all troops to check for possible instability and assured President Arroyo that Trillanes, a former naval officer, did not have widespread support from the military. While some columnists and analysts expressed concern at the detention of journalists, characterizations of Trillanes' caper ranged from "poorly planned" to "a bizarre soap opera" to "delusional." During the standoff, Philippine Speaker of the House of Representatives Jose De Venecia assured some 150 visiting foreign parliamentarians that the public was "tired of people power and other extra-constitutional means to overthrow the government," and that Trillanes's stunt "would fizzle out."

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FACING THE MUSIC

15. (C) Following their surrender, Trillanes and Lim immediately were handcuffed, arrested, and taken into custody. The Philippine Department of Justice filed rebellion charges against Trillanes, Lim, and 49 others for their November 29 actions. PNP Chief General Avelino Razon Jr. told the media that an additional charge of economic sabotage may be filed against Trillanes and Lim, citing damages to the Peninsula Hotel. In addition to these charges, Trillanes is facing previous charges for his role in the failed 2003 Oakwood Mutiny against the Philippine government, contempt citations issued by the trial judge when he left the courtroom on November 29, military charges, and Senate disciplinary action. Lim has been under detention and on trial for his role in a February 2006 failed coup attempt.

TRILLANES' SENATE SEAT IN LIMBO

16. (C) While prior to this most recent destabilization attempt it appeared Trillanes would be pardoned for the Oakwood Mutiny, such a possibility now seems remote. Pro-administration Senator Miriam Defensor-Santiago filed a motion on December 3 to expel Trillanes from the body before departing for Europe with President Arroyo. The Philippine Constitution provides that the Senate, with a vote of two-thirds, may impose disciplinary measures, including suspension or expulsion, for acts of "disorderly behavior" by a fellow senator. Senate President Manny Villar noted that it would be unlikely for the Senate to seek custody of Trillanes for the recent charges, but the Senate may consider such disciplinary action. However, Villar's fragile majority is composed of 15 senators, one short of the two-thirds required, and it is unlikely that some of those, particularly Gregorio Honasan, who himself was charged in the 2003 Oakwood Mutiny, would support such action. Senate Minority Leader

Aquilino Pimentel vowed to block any procedural sanctions against Trillanes, arguing that the judicial proceedings should be allowed to take their course.

ECONOMIC MARKETS UNPERTURBED BY NEWS

17. (C) Financial markets paid little attention to the news that Trillanes, Lim and a few followers had attempted to destabilize the government again. The Philippine stock market closed at noon Thursday in advance of Friday's national holiday, and the dollar slumped slightly at the end of the day. Monday opening positions seemed to be entirely unaffected, as both the stock market and the peso were up. The Embassy expects the overall economic impact of the November 29 events to be negligible. Most investors already have discounted their investments for political instability, and by their standards, Trillanes' actions were fairly insignificant. The impact of international media coverage will do little to affect the number of tourists, mostly Asians, who mostly visit resorts far from Manila in the archipelago.

18. (C) COMMENT: A variety of factors contributed to the destabilizers' failure: a clear chain of command in the Philippine government; coordinated, swift police and military action; a growing, if cautious, respect among the public for rule of law; and Trillanes's failure to create the broad-based support among the clergy, protest groups, and the military. It is highly probable that Trillanes and the others planned their exit from the courtroom and the subsequent march to the Peninsula Hotel since members of their group were in position at the hotel and armed when Trillanes and Lim arrived. From the beginning, it was clear that the civilian authorities were in charge, and the coordinated police-led response by security forces reflected the strength of the communication between Armed Forces Chief of Staff Esperon and Philippine National Police Chief Razon. The short duration of the standoff -- less than six hours -- did not allow Trillanes time to muster support from potential sympathizers, if any. Finally, Trillanes grossly overplayed his hand. He may have planned the walkout and staged the activities at the hotel, but he underestimated the public's desire for political differences to be settled by the democratic process, rather than by intimidation. Questions remain as to how Trillanes was able to organize the handful of participants in the standoff and to what extent,

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supporters are still in the wings, awaiting another chance to lash out against President Arroyo. Whether or not the serial nature of Philippine destabilization attempts is coming to an end remains to be seen, but it appears their ability to rally mass support has waned. END COMMENT.

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